

To the Members of the California State Senate:

I am signing Senate Bill 1500 requiring automobile insurers to electronically report to the Department of Motor Vehicles (DMV) all motor vehicle liability insurance policies and identifying data on the policy holders. In addition, the bill authorizes the DMV to suspend or cancel auto registration on uninsured motorists starting on January 1, 2006.

This bill takes the important step to ensure that all autos are insured as existing state law mandates. By requiring the timely and on-going reporting of the insured's policy status DMV and law enforcement officials will be able to know if an auto is insured and require the uninsured to comply with the law.

While this bill serves an excellent public policy goal, I am requesting further legislative action next year to ensure this new program is established in the most cost-effective and efficient manner possible. The first needed action is the proper appropriation of funds to set-up and operate the program. The bill makes no such appropriation of funds and DMV cannot absorb these new costs. Secondly, I am requesting the authority to partner with the private sector to create and operate this new program if that option provides a more cost-effective answer.

I look forward to working with the Legislature in implementing this important new public safety program.

Sincerely,

Arnold Schwarzenegger